

UTILITY COMMITTEE MINUTES
FRIDAY, SEPTEMBER 15, 1989
7:00 A.M.

PRESENT: CONNER SHEPHERD
R.T. MANTLO
BILL MCCURRY
PAUL NELSON
JOHN BENNETT

MARK ACHEN
JIM SHANKS
GREG TRAINOR
STEVE ANDERSON
DARREN STARR
BILL CHENEY

Agenda items were discussed as follows:

1. Slides of the Somerville ranch were viewed and a general discussion was held to clarify the conditions of the property and potential uses of the land.
2. The "flyer" that the Central Grand Valley Sanitation District sent out to its customers was discussed. The information presented is not correct and the committee felt it was done on purpose by CGVSD in order to raise the political issues concerning annexation. Since there is a council workshop on Monday, September 18, 1989, John Bennett will attend the Grand Valley meeting along with Greg Trainor, Utility Manager to address the issues. Staff was instructed to prepare a fact sheet outlining the facts that govern the 201 and Central Grand Valley's systems and be prepared to review these at Central Grand Valley's Monday meeting.
3. Discussion was held concerning whether council would want to hold special public hearings on the proposed rate increase. It was determined to recommend that hearings be held at the regularly scheduled City Council meetings when the first and second readings of the rate ordinances were held. However, a special mailing should be prepared to go out to all customers of City water sewer and sanitation customers outlining what the rates would be including the fact that the rates have not been raised for three years.
4. Darren Starr, Sanitation Supervisor, reviewed the budget for the Sanitation Fund and a discussion was held concerning proposed rates for Sanitation.

Alternatives include raising residential 8% and commercial 5% or raising only residential rates 12% with no increase in commercial rates. Sanitation has six different financial plans that include costs and revenues relative to annexation (Paradise Hills, Vintage 70, and Heatheridge). After considerable discussion, it was determined to recommend to council that the Sanitation Division prepare a budget and ten year financial plan which included all the aforementioned annexations; a 4% salary adjustment for budget purposes for 1990, a 12% rate increase for residential customers and no increase for commercial customers. Residential, under this recommendation would increase from \$6.00 per month to \$6.75 per month. Due to the competitive nature of the City's commercial business, the committee felt, if at all possible, that the rates should remain as is.

5. The discussion of the water fund budget and water rates were postponed for a later meeting.
6. Mesa View II was discussed with regards to the ordinance requiring that city water serve this development. Staff was instructed to comment to the Planning Department that the City will serve this development at previous meetings of the Utility Committee and Council this issue was discussed concerning other proposed developments (Horizon Town Homes and) it was determined that to serve these with City Water was not practical. The Mesa View II area is served by water lines in 7th Street and 12th Street and north of the Northridge Subdivision. This action will likely bring the City into conflict with the Ute Water District because of their claims to this area. Counsel, Dan Wilson feels that of the proposed development areas to date, this project gives the City its clearest legal position with regards to Ute.

It was also noted at the meeting that the City had received notice from the developer of the Horizon Townhomes site that he intended to sue the City over the withdrawal of the City's requirement to supply water to this development.

Mayor Mantlo commented that he wanted the meeting scheduled with Ute that was agreed to as a follow-up to the Council's meeting with the Ute Board on August 31st.

16 FACTS YOU SHOULD KNOW
ABOUT THE
CITY-COUNTY 201 SEWER SYSTEM

AND THE
CENTRAL GRAND VALLEY SANITATION DISTRICT

FACT-1. City and County are co-owners of the 201 System. The Special Districts Contract for the services they receive.

FACT-2. Central Grand Valley Sanitation District asked to connect to City's Treatment Plant in 1970. City signed a contract with Central Grand Valley Sanitation District.

Dated: November 1970
Signed by- John Krizman as Secretary

1. City agrees to treat sewage from the CGVSD System.
2. District agrees to construct sewers to City Standards.
3. District will take care of all infiltration problems at its own expense.
4. City to provide normal operation and maintenance.
5. District will repair failures of its system at its expense.
6. City will bill CGVSD customers.
7. If rates change, the City will notify District 30 days prior to change.
8. District agrees to adopt rates set by City, and add on any additional fees required by the District.

FACT-3. Central Grand Valley Sewer District charges its customers 58% more per month for sewer service than non-special district customers.

<u>Total</u>	<u>201 Charge</u>	<u>Add on</u>	<u>Add. Taxes</u>	
CGVSD Customers: \$14.88/mo.	\$8.87	\$3.77	\$2.24	
Non-Dist Customers: 9.40/mo.	\$9.40	-0-	-0-	\$

FACT-4. CGVSD still taxes its residents \$2.24 a month for debt that was paid off in 1988. This amounts to over \$100,000 per year.

FACT-5. Orchard Mesa Sanitation District charges its customers 47% more for sewer service than non-district customers.

	<u>201 Charge</u>	<u>Add on</u>	<u>Add. Taxes</u>	<u>Total</u>
OMSD Customers:	\$7.35	\$3 . 8 0	\$2 . 67	\$13 . 82
Non-dist Customers:	\$9 . 4 0	-0-	-0-	\$ 9 . 40

FACT-6.- The 201 sewer System charges \$9.40 per month for all services which also pays debt on county sewer bonds.

FACT-7. 201 sewer rates have not been raised for three years.

FACT-8. Total expenses for the 201 Sewer System from 1989 increased only 1.52%

FACT-9. Central Grand Valley's winter flow to Persigo is 746,000/gallons per day. Its summer flow is 1,087,000 gallons per day.
Infiltration accounts for this 46% increase in flow which, by contract, the district is required to remedy.

FACT-10. Central Grand Valley's mill levy has been raised
13% from **1987** to **1988**
1.874 mills to 2.111 Mills

For debt which was paid in 1988.

FACT-11. Central Grand Valley carries a 1988 fund balance of \$1,046,801 or \$261.00 for each of its customers.

The 201 Sewer System carries a 1988 fund balance of \$4,375,290 or \$257.00 for each of its customers.

FACT-12.	Total all Special District Customers:	7367	43%
	Total all Non-Special Dist. Customers:	9688	57%
	Total 201 System Customers:	17055	

FACT-13. Central Grand Valley contributes 15% of the flow to the Persigo plant, but only pays 12% of the cost of plant operations.

FACT-14. Power of Attorney for annexation are not required under the existing City-County agreement for individuals tapping on to the sewer who are within CGVSD.

FACT-15. 1987-1988 capital expenses increased capacity on the South Side interceptor by over 600,000 GPD! This additional capacity will allow for an additional growth in the CGVSD.

FACT-16. The sewer rate is proposed to increase by 10% in 1990 which equates to .94 per EQU.

qt:201

PREPARED BY: 201 SEWER SYSTEM